

LEASE OF REAL PROPERTY

DATE OF LEASE	LEASE NO.
	REOR -5-97-C

THIS LEASE, made and entered into this date by and between the Economic Development Authority of the City of Newport News, whose address is:

c/o Department of Planning
2400 Washington Avenue
Newport News, Virginia 23607

and whose interest in the property hereinafter described is that of Owner, hereinafter called the "Lessor," and Southeastern Universities Research Association, Inc., hereinafter called the "Company," acting under its Contract No. DE-AC05-84ER-40150 with the United States Department of Energy, hereinafter called "DOE."

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Company the following described premises:

Building space to consist of 35,000 net usable square feet. The building will be located at 12050 Jefferson Avenue, Newport News, Virginia 23606. The leased space shall be provided in accordance with the attached document entitled "Section VIII. Requirements," which is made a part hereof and is to be used for office, support and special (laboratory) space. A plan of the premises is attached and made a part hereof.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on October 1, 1997 through September 30, 2007, subject to the termination and renewal rights as may be hereinafter set forth.
3. The Company shall pay the Lessor annual rent in accordance with the following rate schedule, per month, in arrears.

	<u>Term</u>	<u>Yearly</u>	<u>Monthly</u>
Year 1- 2	10/1/97 - 9/30/99	\$438,542	\$36,545.17
Year 3- 4	10/1/99 - 9/30/01	\$460,563	\$38,380.25
Year 5- 6	10/1/01 - 9/30/03	\$483,632	\$40,302.67
Year 7- 8	10/1/03 - 9/30/05	\$507,776	\$42,314.67
Year 9-10	10/1/05 - 9/30/07	\$533,319	\$44,443.25

Rent for a lesser period shall be prorated. Rent checks shall be made payable to: the Economic Development Authority of the City of Newport News, Virginia.

4. This lease may be renewed at the option of the Company for the following terms and at the following rentals:

Option I: Lease to the Company 35,000 net usable square feet as stated in Article 1 above, for the period October 1, 2007 through September 30, 2012, in accordance with the following rate schedule, per month, in arrears:

	<u>Term</u>	<u>Yearly</u>	<u>Monthly</u>
Year 11-12	10/1/07 - 9/30/09	\$559,958	\$46,663.17
Year 13-14	10/1/09 - 9/30/11	\$587,997	\$48,999.75
Year 15	10/1/11 - 9/30/12	\$617,459	\$51,454.92

Option II: Lease to the Company 35,000 net usable square feet as stated in Article 1 above, for the period October 1, 2012 through September 30, 2017, in accordance with the following rate schedule, per month, in arrears:

	<u>Term</u>	<u>Yearly</u>	<u>Monthly</u>
Year 16	10/1/12 - 9/30/13	\$617,459	\$51,454.92
Year 17-18	10/1/13 - 9/30/15	\$648,343	\$54,028.58
Year 19-20	10/1/15 - 9/30/17	\$680,674	\$56,722.83

5. The Company may terminate this lease in whole or from time to time in part whenever determined that such action is in the best interest of the Company. In the event of termination in whole or in part, the Company shall provide Lessor not less than one year (12 months) written notice in advance. Rental payments after total termination shall be payable through the time the Company occupies the premises. Rental payments after partial termination shall be reduced in proportion to the related reduction in occupancy of the premises. Said notice shall be computed commencing with the day after the date of mailing.
6. The Lessor shall furnish to the Company, as part of the rental consideration, and at no additional cost to the Company, the following:
- All taxes and levies, including real estate
 - Utilities, including water and sewer services, electricity, and/or gas service
 - Casualty insurance
 - Janitorial services
 - Landscaping and mowing of grounds
 - Building maintenance, including, but not limited to, heating, air conditioning, and electrical maintenance items
 - Parking
7. The following are attached and made a part hereof:
- General Clauses (GSA 3517) (Note: Until such time as the Company's rights and obligations hereunder may be transferred to DOE in accordance with paragraph 8. below, the terms "Government," "agency," and "Contracting Officer" in GSA Form 3517 shall be construed to mean the Company unless the context clearly requires otherwise.)
 - Representations and Certifications (GSA 3516) as executed by the Lessor on August 8, 1996
 - Unit Costs for Adjustment(s) as executed by the Lessor on August 8, 1996

8. **Assignment.** It is understood that the Company is authorized to and will make payment hereunder from Government funds advanced and agreed to be advanced to it by DOE, unless specifically provided for herein; and that with either DOE written approval or upon termination of said Contract No. DE-AC05-84ER-40150 between the Company and DOE, administration of this lease may be transferred from the Company to DOE or its designee, and in case of such transfer and notice thereof to the Lessor, the Company shall have no further responsibility hereunder; and that nothing herein shall preclude liability of the Government for any payment properly due hereunder if for any reason such payment is not made by the Company from such Government funds.
9. Within 15 days after award of the lease, the Lessor shall submit:
- a. A tentative schedule for construction of the property giving the dates on which the various phases of construction will be completed to coincide with the Company's required occupancy date;
 - b. Evidence of award of a construction contract;
 - c. Evidence of application for necessary building permit(s); and
 - d. Biweekly progress reports, after the start of construction, specifying the percentage of the work completed, explaining any delays encountered, and stating the expected completion and occupancy dates.
10. This lease shall be subject to the approval of DOE and shall not be binding unless so approved.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY
THE CITY OF NEWPORT NEWS**

**SOUTHEASTERN UNIVERSITIES
RESEARCH ASSOCIATION, INC.**

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____